

reliance on market forces to drive content requires us to better identify what people want, meet those needs and adapt to those changes more quickly. Because if we don't, rest assured we'll know it. A company called Arbitron is extremely adept to bring that to our attention. In fact, the new ratings book shows how dynamic and competitive the San Antonio market is. Some of our stations went up in ratings, some of them went down. It is my job to figure out what we're doing right and what we're not, and if there's anything you can count on, I'll move heaven and earth to figure out what our listeners want and make them happy.

My five minutes won't allow me to describe everything we do to connect to our community. But I hope the following sampling will show how deeply committed we are to the needs of San Antonians.

All our stations provide local newscasts, traffic and weather. Last year we donated over \$3,000,000 in commercial time and raised almost \$6,000,000 for San Antonio charities and civic causes. We produced public affair shows such as "Community Focus," "Talk San Antonio" and "San Antonio Living," and provided community service like the Stranger-Danger program where over 100,000 elementary students

learned — were taught how to be safe. And Learn a Living, where local workers are trained to perform new and higher-paying jobs.

As FCC Commissioners, you know firsthand that it's not every day when someone tells you you're doing something right. That's why I'm so proud of these letters that I brought to submit to the record tonight. There's 100 — 898 letters that were sent to our stations right here from the local folks just saying thank you for our efforts to help their charities or publicize their causes. As far as I'm concerned it doesn't get any more rewarding than this.

We're — we've also prepared a short video testimony that interviews local citizens. This video answers the question better than I ever could of just how local local broadcasting is here this San Antonio. The Commission has generously agreed to provide a link on its web site.

You know, Clear Channel may be a big company and operates a lot of radio stations, but what you don't know is that it is my job as local market manager to run my stations and meet the needs of the local audience as best I see fit. I know too well that listeners can change stations at a push of a button.

They can do it while chatting on the phone, they can do it while driving 65 miles an hour, and if they're anything like me, they'll do it while chatting on the phone and driving 65 miles an hour.

Our listeners have many, many choices for news, information and entertainment. While I admire and respect my company, I know they can't program our stations from corporate headquarters, and they know it too, and that's why they don't. Clear Channel recognizes the importance of local autonomy and realizes — and relies on local control to make sure that we're always in touch with our local listeners. And just as Clear Channel can't be successful programming all the stations out of its headquarters, I think it's just as unlikely that it can be done from Washington, D.C. I say that with enormous respect for the work of the Commission and Localism Task Force.

Each community across the country is different. In my view a cookie cutter approach to localism from Washington will be less effective than one developed right here at home. Mr. Chairman and Commissioners, we trust the American people to elect their President. We trust them to elect members of Congress and state and local officials. I believe we

should trust them to determine for themselves which stations do the best jobs to meet the needs of our local communities. Thank you for inviting me tonight. I'll be happy to answer any questions you may have

(Applause. And boos.)

MR. HAIR: My name is Ray Hair. I want to thank the members of the Commission and the Localism Task Force for the opportunity to discuss how big radio, as it exists today, hurts the interests of local communities in enjoying and fostering the growth of local musical talent and entertainment talent. I care deeply about local music, and I care deeply about live music. I believe the Commission and the Task Force should care too, because only when a full range of young and old artists and musicians playing many genres of styles and music have a shot at reaching audiences both live and on the air, will our local cultures and local entertainment industries thrive. The health of local entertainment matters for the whole country and because our local music scenes are not what provide the rich mix from which new music, new stars and new additions to American musical culture are grown.

I've been a professional musician for 40 years, a Union leader for 20 years, I taught drums at

the University of North Texas for ten years, and I've been in Texas as a resident for 28 years. One way or another music has been a core focus of my entire adult life. I played my first gig in Meridian, Mississippi in 1964 and since then I've performed all over the country.

I'm currently an International Executive Officer of the American Federation of Musicians of the United States and Canada, the largest entertainment union in the world. In that role, I helped to advance the interests of the AFM's 100,000 members through the union's collective bargaining with the recording, motion picture, television, radio, advertising, and traveling theatrical musical industries and through our assistance to our locals that represent musicians in major regional symphony, opera and ballet orchestras and through education and lobbying in Washington and throughout the nation.

All the Texas locals of the union including San Antonio are comprised of professional musicians in Texas of which I'm the Secretary. I'm also President of the Dallas-Ft. Worth Professional Musicians Association, and we have 1800 members who record and play live music of every type and style in

venues large and small.

I work hard to improve opportunities for live performing musicians in my area, which includes 100 counties in Texas and eight counties in Oklahoma. The union is directly involved in arranging free concerts that reach over 500,000 local attendees a year. These concerts are funded by the musician — the Music Performance Trust Funds which was created by the recording industry and by the union in collective bargaining.

(Applause.)

MPTF performances provide paying gigs for talented local musicians and they expose audiences to all types of music in arts and music festivals in their local communities. We also have an impressive track record of booking local and regional musicians as headliner acts in all sorts of concert venues and music and arts events in our area. We work hard to enhance the opportunities of talented musicians with small local followings to reach larger audiences as well as to ensure that great musicians like Ray Benson and Asleep at the Wheel can keep connecting to audiences in bringing their musical visions to the lives of more and more people. In short, we work for more and better

employment for musicians, both unknown and well-known in our community.

It's obvious that the musicians' union would care about jobs, but perhaps it's not so obvious that we don't just care about it out of narrow self interest. Sure, we want to work and be able to support our families but we also want our children and music students to grow into a thriving local music scene that will inspire them and offer them a chance to hear and to make music. We want a music scene where new ideas, new styles and new creativity have a chance to reach audiences, where diverse music is fostered not squashed.

That's not just good for the local community, it enhances the whole American cultural experience. Unfortunately, though, the way big radio operates in the contemporary musical environment doesn't help the growth of lively, diverse, local music scenes. Instead it gets in the way. One way this happens is when radio owners also own live entertainment businesses like concert venues and promoters and then leverage their position to control local events and artist choices.

I'll give you an example from my own

personal experience in Dallas. For a number of years Local 72147 in Dallas served an important role in booking musical performances for a three-day festival called the Taste of Dallas. Through MTPF co-sponsorships we were able to increase the number of musical performances that were given free to the public during daylight hours, and in booking the evening headliner acts, we were able to place talented artists with local and regional fans into a position of reaching greater audiences.

But that changed in 2001, when the local Clear Channel stations made their radio promotion of the festival contingent upon the festival booking the evening headliner acts exclusively through another Clear Channel business. The festival told me it had no alternative but to accede to Clear Channel's demand. The result was that local musicians lost their role in helping to create that local three-day event. And what's more, local and regional musicians lost a lot of gigs as Clear Channel brought in the nonlocal acts they wanted to promote. And perhaps what is worst of all, the community had a chance — lost its chance to hear a more diverse range of music from their own talent base.

When a radio owner also owns live entertainment businesses, it can exert a lot of control over the artist's options and choices. For example, I once booked a well-known artist for the Ft. Worth Main Street Arts Festival. Less than a week later her agent called to cancel. Clear Channel had insisted that she not come to Ft. Worth in April, but wanted her to appear in an event promoted by Clear Channel in Addison in May. The agent made it clear to me that the artist had no alternative but to do as Clear Channel asked even though she would earn more money in Ft. Worth. But because she was dependent upon Clear Channel to broadcast her recordings she declined to perform in Ft. Worth.

That kind of control isn't good for music, artists, or communities. In fact, it highlights a huge problem, the fact that new and local artists are becoming dependent on big radio owners, not just for air play, but for live engagement opportunities. Where a national corporation controls the local headliner venues and concert promoters, as well as the radio play list, local artists can find themselves shut out from both ways of reaching an audience. I urge the Commission and the Task Force to read the Cornell

University study entitled "The Clear Picture on Clear Channel," which was released by the AFL-CIO today, and I have it right here, and I want to place it in the record.

(Applause.)

The leveraging — the leveraging of business ownership is not the only problem affecting local communities. My experience is that radio today is more likely to play a homogenous list of nationally aired tunes and much less likely to give air play to local music.

I'll give you another terribly sad example. Back in 1985 we used to help Denton Jazz Fest, a local music event, and by 1987 attendance at that event was around 2,000 people. And a local radio program director at KKDA-FM was sufficiently intrigued to come in and do a live eight-hour broadcast of the festival. KKDA continued to do that until 1992 or so. By that time the festival grew to 10,000 attendees and hundreds of wonderful talented artists were able to perform and reach thousands of people. But it went off the air — and it was — I don't know of anything like it in Texas anymore. There just isn't that kind of local programming commitment. Our Tejano musicians in

Texas, and especially here in San Antonio —

CHAIRMAN POWELL: Can you sum it up?

MR. HAIR: — have experienced the way in which an important local genre can be marginalized. Tejano music exploded in the early 1990s, but radio stations do not foster or encourage Tejano music with much air play. At most they'll only give it Mexican regional format that focuses on Latino... (inaudible), Latino urban hip-hop selections. Radio stations can foster or strangle a strong diverse musical culture. On behalf of all professional musicians everywhere, I urge the Task Force to recognize the importance of local radio programming and strong local music communities that new artists and styles of music have a chance to grow and enrich us all.

(Applause.)

CHAIRMAN POWELL: Dr. Wayne.

DR. WAYNE: Chairman Powell, Commissioners and distinguished guests. My name is Dr. Richard Wayne. I'm a pediatric physician by training and as a resident of San Antonio continuously for the past 32 years, I'm very appreciative of the opportunity to participate in these hearings tonight. For the past ten years I've served Christus Santa Rosa Children's

Hospital in two ways, as administrator for the hospital and as a part-time physician in the emergency department.

The Christus Santa Rosa Children's Hospital, which is located only a few blocks from where we are right now, is part of a system which has continuously provided healthcare for the citizens of San Antonio, our county and South Texas since 1869. In fact, our current location in the inner city on Houston Street has existed since 1874. The Children's Hospital, per se, is 45 years old, although the children have been cared by the system since its beginning in 1869.

Our Children's Hospital was the first in San Antonio. It is the largest and most active and it serves our region in many areas. The lives of more than 150,000 children each year are touched by the various in-patient and out-patient activities. Although the hospital serves all populations, we are unique in Texas in that we serve the highest percentage of Medicaid patients of any hospital in the State of Texas, 73 percent last year. We're also the classic safety net inner-city hospital with about 65,000 children who will go through our emergency department

this year. That equates to one child coming through the door or the back door by ambulance every eight minutes, around-the-clock, 365 days a year.

Like many children's hospitals with similarities to ours, we're extremely dependent on community and philanthropic support in order to optimally serve the children who come to our institution. I can cite for you several examples how the local media, both television and radio, have assisted us in being able to tell our story, which is really the story of our community's children, to a broad audience and help us to raise funds to provide critically needed programs, equipment and facilities for these children.

The most striking and long standing example is our Children's Miracle Network broadcast. This event takes place in early June of every year and this summer will mark the 21st consecutive year that WOAI-TV has partnered with us in this endeavor. The commitment of the station and its broadcasters has been exemplary. They have truly put their heart and souls into ensuring the success of an event which typically requires weeks and months of planning and preparation. During the past 20 years the CMN broadcasts have raised

approximately 30 million dollars, every penny of which has stayed in our community for its children.

Five years ago Soft Rock 101.9-FM radio began conducting an annual companion radiothon to augment the dollars of the telethon. Once again, the commitment of their broadcasters and management has been wholehearted, and each year has produced greater success both in educating the public and in raising dollars for the hospital and its children.

This past year the Hispanic Broadcasting Corporation came to us and wanted to conduct a radiothon to better acquaint our Hispanic community with these issues. This event attracted national attention and it was the first ever radiothon for a CMN hospital conducted by Hispanic radio.

I can tell you it was an amazing success due to the extraordinary energy and commitment of the broadcasters and the support of their management. The amount of dollars raised for a first-ever radiothon, \$183,000, was frankly beyond our wildest dreams.

A second way that the television and radio media have been helpful to us has been informing the public on issues related to children's health and on issues around public policy as it may pertain to

children and their health and well-being.

A couple of quick examples. After the September 11th tragedy, I was contacted by a number of local television and radio stations, both English-speaking and Spanish-speaking, about how to communicate with children of various ages surrounding this terrible event. We were able, with the help of the media, to share with parents and others advice, who in many cases were trying to deal with their confused and emotionally upset children.

The second example has to do with the newly enacted and still evolving children's health insurance program, or CHIP, a program which last year served over a half-million previously uninsured Texas children, many, of those from our community. The evolution of this program has had an enormous impact on many of our local families, and our local media has been very helpful in working with us and others to keep the public informed.

Once again, Mr. Chairman, I'm appreciative for this opportunity to share this with you and the Commissioners. Thank you.

CHAIRMAN POWELL: Thank you, Dr. Wayne.
Jerry Hanszen.

MR. HANSZEN: Good evening, Mr. Chairman and Commissioners, and welcome to Texas. Before I begin my remarks, I would like to submit into the record behind me, over 4,000 letters telling the success story of localism with Texas broadcasters.

I'm the Owner and General Manager of KGAS radio in Carthage and KMHT radio in Marshall. We're located in east Texas about 25 miles from the Louisiana border. Carthage has a population of 6700 people. Marshall has a population of about 24,000 people. In a telephone conversation with one of the FCC members before our meeting tonight, they said I may very well be the smallest radio broadcaster to ever speak to a group this size. Now, I hope they're talking about the size of my community and not my statue or bank account. If that be the case, I take it as one of the greatest honors I've been given. Thank you very kindly.

Our slogan for our station is the "Heartbeat of East Texas." We work very hard to live up to that billing. That's why we broadcast our neighbors' favorite country music on our FM channels, and the gospel music that they like on our AM channels. And we'll put just about any up and coming

musician on the air. We do that every day and do our best to show their success. It's also the way that our community is involved is with our local broadcasting of news.

We have five local newscasts daily, with KGAS featuring and focusing on Panola County and KMHT on Harrison County. And these local newscasts cover everything from funeral notices to school lunch menus, which I think is just about as local as you can get. We also air a live show each day called "Panola Pride". It airs at 8:30 in the morning and is hosted by me, where we provide local politicians, ministers, school officials and others to come and discuss local issues and events.

At 9:00 a.m. we run a very popular show called "Swap Shop," where listeners call in and describe the items they'd like to buy, sell or trade. We average about 100 calls per hour, and that's pretty amazing, considering the size of our listening audience.

We have a weekly program with the High Sheriff of Panola County, and on Sunday, we air devotionals and services of the area churches. All this local programming is on top of our extensive

coverage of the other religion in Texas, high school football.

(Laughter.)

We not only cover ten teams each week on our two stations, but we make sure that the broadcast of the half time marching bands are promoted so that those parents can enjoy their kids' performances as well.

(Applause.)

Apart from programming, our stations are also closely involved in our communities. In fact, KGAS functions as the primary emergency warning system for Carthage, so when our fire department, which is made up of volunteers is called to an emergency, KGAS interrupts its programming to let the people know where the emergency is so, that folks can get out of the way of emergency vehicles.

(Applause.)

It is common knowledge that when you hear the Carthage town siren go off, you need to tune your radio to KGAS to find out exactly what's happening.

We also partner with various organizations in the area, but like most broadcasters we do much more than just cut checks to worthwhile causes. In fact, in

my view the most important contributions that broadcasters make to their community has very little to do with money.

(Applause.)

We raise the awareness — we raise the level of awareness, discussion and education in our communities. We give a voice to local groups and citizens. That's why our stations devote so much air time to local news and public affairs. That's why we work hard to enhance our community by promoting blood drives, Shrine Club, Lion Club, youth-related activities and many others too numerous to mention.

Now, we do all these things because we think it's part of our responsibility as a good corporate citizen.

(Applause.)

But that's not the only reason. We have worked in radio — I've worked in radio for many years and the most important thing I've learned along the way is that local programming and local coverage are the keys to success.

(Applause.)

Radio — radio is a very competitive business even in the small market of Carthage, Texas

and we find that the best way to distinguish ourselves is to air programming that focuses on issues and events of interest to our neighbors. Localism as you call it is really nothing more than common sense good business.

(Applause.)

And I can assure you — and I can assure you, whether the FCC decides to create new localism rules or not, KGAS and KMHT will keep doing what it takes to be the "Heartbeat of East Texas."

(Applause.)

CHAIRMAN POWELL: Out of respect for those who were in the line before, we're going to pause for five minutes so that the organizers can reassemble the open-mic line in the order that they were left. So, we're going to go ahead and let them do that, and we'll just wait until that gets set up.

(Recess.)

CHAIRMAN POWELL: The one caution before we get started, in an effort to get through as many people as possible, because we're going to go for about one hour, I would ask people to try to keep their comments to about a minute —

(Audience member shouting: That's not

acceptable.)

CHAIRMAN POWELL: Well, it will have to be acceptable. Please.

(Audience member shouting.)

AUDIENCE MEMBER: With protocol already being established, I would like to introduce myself. I'm Roger Sanchez, representing the Alzafar Shrines. I just want to acknowledge one fact that we do have one local station and several that have responded to us through the years, in letting our community know that we are having the two hospitals available for our low income people, and it's vital that this community is well aware that we have these facilities available at no cost. And there is one particular station that always comes to our rescue to let the community know that we are there to help them and that's KADA radio station.

(Applause.)

And that's a very low — a family-owned business, but I'll tell you they're the ones that always come through with us, and they give us the full support that we need, that our community is well aware that we support our needy children and crippled children and our burned children. I have a good

response from all the other stations, but they are the only ones that pass a PSA every day to let the people know that they have availability for free orthopedic help and burned children at our two hospitals which are located in Houston and Galveston.

And I would like to also terminate here with the conjunction of the fact that there's four words I would like to finish up with. And that's trust, talents, time and treasures. Trust, so that we can be united here as a group tonight, and trust in God that we work in peace and harmony. Talents, we have wonderful talents.

Without our community, our radio stations, our Shriners, and time, that we give the time to all the kids. Treasures, because we'll have the kids that will gain from it, and they'll be better citizens of our future. And finally, one word, thank you. Ironically, another two, thank for your understanding and cooperation. Thank you.

(Applause.)

AUDIENCE MEMBER: My name is Santiago... (inaudible) ...from... (inaudible), Texas. I want to talk about two radio stations, Hispanic radio stations. The first one come out in '91 and gone in

'98. Why? Because this radio station give us to Hispanic people a very big information, not like some out here. And the second radio station is La Un — La Unica in Miami. They come in all United States in Spanish. But what happened? La Unica come in '97, but tomorrow is the last day of the radio station. Why? Because these people tell us the truth, nothing but the truth. Why they getting from us? Why? What happened to this people?

THE INTERPRETER: So Santiago is saying the two very important stations that he's been listening to for years, one from California, and one from Miami, one is defunct and the other one is going to go off the air tomorrow after being on the air since 1997. They provided a lot of information. It wasn't even music, it's all information. And there's a lot of people that listen to the radio Unica. There's — that should be — there's no reason for that considering how large the Spanish-speaking population of San Antonio is.

(Applause.)

Thank you. Okay. These two radio stations they have calls from whole United States. That was great station. But, but just because it's

Hispanic station they cut it. Thank you. Gracias.

(Applause.)

AUDIENCE MEMBER: Mr. Chairman, Commissioners, my name is Dee Anderson, and I'm the Sheriff in Tarrant County, Texas, here. Thank you for the kind introduction earlier. I wanted to come tonight and put a face on the Amber plan that you've heard so much about. You've already seen one face of a beautiful five-year old child that was with us today because the plan was in place when she was kidnapped when she was only eight weeks old. You're getting ready to meet another small child who was saved because of the plan.

Unfortunately, I can't bring you the face of the tragedy that started this plan in 1996 when Amber Hagerman was kidnapped and murdered. We had no such plan. And it was a radio listener who called in and said I can be warned of a thunderstorm, I can be warned of a tornado, why can't we be warned when a child's has been abducted. From that very simple thought a plan grew that has spread through 48 states and now internationally.

It has become a phenomenon that none of us ever dreamed of back in 1996. But I want to say,

you've heard a lot of negative things tonight, but in Texas something works very, very well. Something is very, very right about the local radio stations and television stations in Texas, and that is the Amber Plan.

This grew out after a simple idea but law enforcement and media had to sit down and work together to make it happen. They said it could never be done. It has been done. It's a great success, and I want you to know how much law enforcement depends on it, needs it and appreciates what has been done by our media here in Texas. Thank you.

(Applause.)

AUDIENCE MEMBER: My name is Michelle Petty. I'm a local attorney, and I'm chair of the Alamo Sierra Club. And I'm here tonight as representing of all of them, and I'm also a parent. As a citizen I'm frustrated that I can't hear my favorite local bands on the local T — on the local radio stations. I'm very frustrated about it.

(Applause.)

And I can see and hear it from Mr. Hanszen than hear Stephanie... (inaudible) ...Jones or Two Tons of Steel, which has been three times the favorite of